

Ethical Investing



a-z
OF PROPERTY
INVESTING

E – Ethical Investing

Ethical Investing means understanding that you can build a strong, sustainable and profitable business, but at the same time always being ethical in your actions. That's what we teach here at Property Wealth System. Ethical Investing is about tailoring individual property strategies to suit your own individual goals, but at the same time looking for win-win solutions for everybody that you deal with.

When it comes to property investment, there sometimes can be a misconception that property investors are only in it for one thing and that's greed and profit, but we can actually create shared wins and outcomes. For example, the press sometimes cite property investment as a reason that first time buyers and families can't get into the market. The simple truth is that first-time buyers and families are not interested in the same properties.

As professional investors we are buying with a different mindset, a different set of KPIs and through a different looking glass. Investors always have to look where they can create value, we don't look at properties that are already finished because there's no value to be added to those properties.

We're looking at the damp and smelly houses with the swirly carpets, the properties that have got problems, defects and structural issues. Those are the properties that we need to look at and are the types of properties that families and first-time buyers will more often than not, want to run away from.

It's the problem properties that we as property investors actively go after. We are looking for the empty shells, the properties that have been on the market for a long time that won't sell and we're looking to do something with them (something creative) where we can create value and create a great end product. We're bringing these projects back into the market so they can be used by families for rentals, first-time buyers, end users, as HMOs, as serviced accommodation – we want to do something with that property that no one else has been able to do previously.

Another contributing factor is the number of empty homes that we have in the UK. The government's own figures say empty homes run into the hundreds of thousands.



This Property Life Podcast is Available at:



In 2019 in England alone, we had over 600,000 empty properties and that's nearly double the 300,000 target that the government has set for building a new home. So, if we could only just do something with those empty properties, we'd be doing something to really solve a key issue in the housing market.

A professional investor, we will look at those empty homes and think 'how can I bring them back into the market? How can we create an end use? How can we create a buy to let? How can we create an HMO? How could we perhaps bring that commercial unit back into use? What we're doing is increasing choice, and we're giving the consumers more options in the market. By doing this, we're improving an area and bringing those properties back to life.

As a landlord it's really (really) important to remember that we're not just creating a house. When we're bringing these properties back into circulation, we're actually creating homes and opportunities for people. So, remember that it's more than just bricks and mortar to the end user of that property.

In today's property market it's important to realise there's more and more legislation coming into the market every year.

This is a really positive thing as we've seen housing standards increase year on year, we've seen health and safety and general levels of comfort in the buy to let market and rental markets, improving. Legislation will continue to change, and we welcome this because it keeps standards high and it keeps the amateurs out of the market. The days of being an amateur investor are over.

Finally, property investment is about people and it's really important that you remember this. There are so many people involved in property: this includes the vendor (the person that you're buying from), the agents, dealing with your power team (so this could be your legal team, your accountants, your architects) and the local trades that you're going to be using to renovate the property. You're also dealing with the end user. Are you dealing with a property that you're going to sell to somebody or are you dealing with somebody that you're going to rent to? All the way along, it's important to play the long game and create win-win opportunities for everybody that you deal with.

As part of your power team, you have one of the most important jobs because it's you that brings all of this together.



This Property Life Podcast is Available at:



You're bringing together all of the different contacts within your teams, delivering the project and finding the end user, so it's really (really) important that you learn to communicate effectively with people and look for win-win scenarios.

Always act with integrity, be consistent in your actions, look for win-win opportunities and play the long game. If you do all of these things, people will remember you and it will serve you very (very) well when it comes to property investment. Most importantly, enjoy the experience and as they say enjoy the journey!



Copyright © Property Wealth System

This Property *Life* Podcast is Available at:

